

1964

## CONGRESSIONAL RECORD — SENATE

4623

is a byproduct of the abuses and failures of U.S. Foreign Aid Administration.

The sticky fingers of oldtime political corruptionists clutch at our aid cash all through America and, for that matter, Africa too. Not all of what they manage to grab winds up in numbered Swiss bank accounts. Our benevolence toward Panama has set these phony, nonfunctional Panamanian corporations up as "Little Swiss" cashboxes for careerists on route to power and dictators in flight from it.

Whatever the Panamanian settlement may be, our aim is to see it settled permanently, peacefully, and with dignity and respect for due process on both sides of the bargaining table. In terms of political pride and hard cash, we have the ability to negotiate toward this objective by taking a new hard look—a look from a viewpoint that is progressively and practically international—at the Panamanian Corporation loophole.

### ARE WE CONTINUING TO BE "SUCKERS" FOR SUKARNO?

Mr. GRUENING. Mr. President, I have received an indignant letter from one of my constituents whose views I completely share. She enclosed a column entitled "Procurers for Sukarno" written by two well-known and respected American journalists, Robert S. Allen and Paul Scott.

I think it is clearly up to the administration to repudiate the actions which are ascribed in this column to officials of the State Department, and I hope that President Johnson will speak out in no uncertain terms on this matter, and put an end to the folly of continuing our military and economic aid to that troublesome and irresponsible dictator.

I ask unanimous consent that the letter of Mrs. G. E. Woodall, of Spenard, Alaska, together with the column from the Anchorage Times entitled "Procurers for Sukarno," by Robert S. Allen and Paul Scott, be printed at this point in my remarks.

There being no objection, the letter and column were ordered to be printed in the RECORD, as follows:

ANCHORAGE, ALASKA,  
February 26, 1964.

Senator GRUENING,  
Juneau, Alaska.

DEAR SIR: Periodically we receive letters from you, thank you.

The enclosed editorial has made my blood boil. What is our Nation coming to that the State Department is busy acquiring call girls for an immoral man while our boys are dying in Vietnam? If Sukarno must have his women let him get his own. What kind of men are representing our Government in Washington, D.C.? It is about time somebody with some backbone spoke up and did something.

We cannot expect the blessing of God upon a nation which disregards all the decent things we have stood for.

Sincerely,

Mrs. G. E. WOODALL.

#### PROCURERS FOR SUKARNO

(By Robert S. Allen and Paul Scott)

WASHINGTON.—With the State Department it is apparently a case of what President Sukarno wants, Sukarno gets—be it wine, women, or big handouts of foreign aid.

On foreign aid—the Department is urging President Johnson to continue dishing it out despite the strutting, Soviet-leaning Indonesian ruler's constant threats of war against newly independent Malaysia. Last year he

got \$140.9 million. His overall U.S. aid total to date is around \$900 million.

On wine, women, and whoopee—a congressional investigating committee is poring over some astounding State Department documents revealing that arrangements were made to supply Sukarno with what amounted to a harem of call girls during his junkets to the United States in 1956, 1960, and 1961.

One of these State Department reports discloses that the Indonesian Embassy in Washington went to the extent of bluntly letting it be known that the "success of Sukarno's mission would depend on the availability of women."

Also, that in advance of one visit, Sukarno sent word he would like to have a "Latin-type, an American-type, and a Nordic-type woman" to accompany him on his tour of the United States. The State Department document indicates these exotic demands were fully and satisfactorily met.

Attorney General Robert Kennedy, who recently conferred with Sukarno in the Far East, is supporting the State Department's backstage recommendation that he be given more aid. Kennedy favors that on condition the Indonesian keeps the peace with Malaysia.

This decision is squarely up to President Johnson.

Under a provision written into the foreign aid budget last year, the President is required to personally certify to Congress that continued aid to Indonesia is in this country's national interest.

That's one reason the investigating committee is intently studying the State Department's startling documents, and closely watching what the President does.

The amazing State Department report shows clearly that officials not only assisted in meeting Sukarno's demand for "call girls," but condoned his flouting of the Mann Act in taking them across State lines.

The story is as shocking as it is lurid. Following are publishable highlights of the State Department's sorry role in the sordid affair:

"In . . . Sukarno paid a state visit to the United States. At that time, he was hesitating between the United States and the Soviet Union, and was playing the part of a so-called neutral which, in effect, indicated he favored the Soviet position. The United States at this time was going all out to impress Sukarno.

"A representative of the Indonesian Embassy approached the State Department regarding having women available for Sukarno. Sukarno wanted a Latin-type, an American-type and a Nordic-type woman available when he felt so inclined. State Department officials told . . . that they could not have anything to do with the obtaining of these women officially, but suggested . . . a former FBI agent then engaged in private investigation business in Washington.

"X agreed to obtain the women for Sukarno. He contacted an inspector of the New York Police Department and wanted to arrange for himself and the girls to stay at the . . . hotel in rooms not too distant from Sukarno and his party. The inspector refused to involve the New York Police Department despite assurances that the State Department approved.

"X and the prostitutes subsequently stayed at a hotel near where Sukarno and his party were staying. X used a fictitious name at the . . . hotel, where he received calls from one of Sukarno's secretaries to send one of the girls over to the hotel where Sukarno was staying and she would be secretly passed into one of the rooms.

"The Sukarno party traveled across the United States stopping at various cities, such as Detroit, Los Angeles, San Francisco, etc., and X followed staying close by with the girls.

"X was hired by the Indonesian Embassy in Washington though a second party. X

did not register as a foreign agent and in transferring females across State lines, he violated the Mann Act which forbids transferring women across State lines for immoral purposes. He violated this statute numerous times from New York to California.

"A representative of the Indonesian Embassy told State Department officials that success of Sukarno's mission would depend on the availability of women."

The futility of the State Department's tawdry efforts to "accommodate" the Indonesian playboy ruler is clearly shown by the recent test launching by his air force of powerful Soviet antiaircraft missiles of the type that downed the U-2 reconnaissance plane during the Eisenhower administration.

These experiments were witnessed by a group of Russian military advisers. The missiles were fired as part of a so-called national alertness program in Sukarno's war-threatening machinations against Malaysia.

In an unpublicized speech, Indonesian Air Commander Rusmin Nurdjadi stated the SA-2 missiles have also been supplied to Cuba and Red China. He attributed this information to the Soviet military advisers in Indonesia.

### NEW TAX TWIST

Mr. WILLIAMS of Delaware. Mr. President, in today's Washington Post appears an excellent article entitled "New Tax Twist May Cost You by End of Year," written by Edward S. Cohen, in which he calls to the attention of the taxpayers the fact that before this year is over they are going to get a bill from the Federal Government for additional taxes under the President's so-called tax reduction.

Under the bill many taxpayers who think they are to get a substantial tax reduction will find themselves with a tax bill for an additional amount of taxes.

This particular case cites taxpayer A, who, under 1963, rates would receive a refund of \$82.08; whereas, under the bill, he would be paying \$59.

Mr. President, I ask unanimous consent to have this article printed in the RECORD. It gives timely warning to the taxpayers has to how they will be "skinned" under the bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### NEW TAX TWIST MAY COST YOU BY END OF YEAR

(By Edward S. Cohen)

A peculiar twist to the 1964 Revenue Act will leave some taxpayers with an unpleasant tax liability at yearend.

Tax Collector Mortimer Caplin will step forward and advise these people they owe money to Internal Revenue they never dreamed about.

Here is the way the law works:

Because of the reduction in personal tax liability for 1964 and thereafter, the rate of withholding on wages has been lowered from 18 to 14 percent. At the same time, individual tax rates are being cut in two steps to a 14- to 70-percent schedule in 1965. But this year the personal rate is 16 to 77 percent.

#### NEW RATES NOT IN EFFECT

Thus, since the 1964 withholding rate is based on lower rates which are not in effect until 1965, there may be too much left in some employees' pocketbooks this year. Those who fall into this category will have a larger tax due at year's end instead of an expected refund.

For example, taxpayer A earns \$12,000 a year, with payments semimonthly. He is married with two children. Because of past experience he has cut his withholding exemptions to two rather than owe taxes at the end of the year.

For 1963, at the 18 percent withholding rate, he had \$1,918 withheld in contrast to an actual liability of \$1,836, based on the 10-percent standard deduction, and four \$600 personal exemptions. At the end of 1963, he was due a refund of \$82.08.

#### HOW TO AVOID LIABILITY

Contrast A's 1963 position with 1964. With identical income and deductions his income and withholding tax will be computed this way:

Withholding for the first four pay periods (since he is paid semimonthly) was at the 18-percent rate, and for the remaining portion of the year, at 14 percent. For the full year, withholding will be \$1,562 with actual tax (at 1964 rates) of \$1,621, leaving A with a debt to Internal Revenue of about \$59.

#### TRADING WITH THE COMMUNISTS

**Mr. DOMINICK.** Mr. President, many Senators on both sides of the aisle have said publicly that the administration's position in regard to trade with the Communist bloc on an ever-increasing scale is the death knell of our efforts to create economic pressure on Cuba and China, and may well be the forerunner of the administration itself giving up the struggle with the Communist world conspiracy.

Time and again we have pointed out that the Communist governments are not representative of their peoples, that the people are our friends and that the governments are our enemies.

Time and again we have pointed out that there are solutions to the struggle short of nuclear war, and that we have the basic resources to win the struggle, but that we are not using such resources, that in fact we weaken ourselves when we trade and treat, negotiate with, and accommodate Communist governments.

Recently, Dr. Walter Becher, Secretary-General of the Sudeten German Council, forwarded to me an outstanding address on this subject delivered by Freiherr von und zu Guttenberg, a prominent member of the Foreign Relations Committee of the Bundestag in Germany. This address is entitled "A False Conclusion Drawn by the West." It refers to a number of the points to which I have referred, and I ask unanimous consent that it may be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

#### A FALSE CONCLUSION DRAWN BY THE WEST (By Freiherr von und zu Guttenberg)

Since Churchill with his expression "cold war" gave the world a hitherto unsurpassed definition of the conflict between East and West, assertions have been made repeatedly and periodically to the effect that the cold war was already ended, or would be ended in the near future. Most of these illusions were and are the results of the coexistence propaganda of the West, which become apparent above all when the waves of the cold war become a little calmer from time to time.

Strange to say, those who regard the Communist ideology as the root of Soviet policy and thus as the actual root of the evil of the cold war, are very often accused of being ideologists who are blind to reality. And it

is then pointed out in this connection that anticommunism, and not communism, is the disease of our times. By means of this conjuring trick the defense put up against an ideology that is hostile to freedom is branded as an ideology.

Actually, the cold war has not resulted from the clash of two ideologies. There is no Western, no freedom-loving ideology. On the contrary, the realm of freedom can be defined by the negative formula that freedom and ideology preclude each other. The cold war is therefore nothing but the result of the constantly reiterated claim of an ideology to rule over those who have already been subjugated as well as over all those who are still to be subjugated.

True, no one will deny that certain privileges were introduced in some of the satellite countries gradually and at various times after Stalin's death. But they do not alter the fundamental fact that this half of Europe is still obliged to live and to suffer under foreign colonial rule and ideological coercion. And for this reason we are obliged to ask ourselves, when considering the attitude of the West toward these unfortunate people—the Poles, Czechs, Hungarians, Bulgarians, etc., whether a certain amount of hypocrisy has not begun to manifest itself amongst us.

To my way of thinking, at least, it seems that habit, resignation and very often brutal egoism are concealed behind the fashionable slogans of "contacts," "appeasement policy," "tearing down of the Iron Curtain," or "realism." For there is one fact which certainly cannot be denied: however clever all the plans to take advantage of the tension between the Eastern capitals and of other phenomena of the so-called thaw may appear to be, there is a far closer link between the governments in Warsaw, Prague, and Budapest—namely, the preservation of their own existence—and the central government in Moscow than would ever be possible between these governments and the West.

The natural allies of the West in this sphere of influence are the subjugated peoples and not the governments which Moscow has imposed on these peoples. And for this reason I believe that a Western policy of co-operation with these governments would be bound to lead to negative results. In the first place, such a policy would mean that the West would lose valuable friends, for the East European peoples have set their hopes of regaining their freedom once more not on the Kádars, Novotnys, and Gomulkas but on the West. And secondly, Mr. Khrushchev's plans are being furthered most effectively by the fact that his European colonial empire is no longer contested by the West, for events in the years 1953 and 1956 have shown that Soviet Russia's European conquests are also her vulnerable spot, inasmuch as the subjugated peoples have not renounced or abandoned their will to freedom.

Indeed, one might well gain the impression that those circles have at present gained the upper hand in the West who set greater hopes on a stable order in Eastern Europe under Soviet domination than on the preservation of the present state of instability. In other words, the theory seems to prevail nowadays that one should set one's hopes on evolutionary developments in Eastern Europe and could further this process most by better relations between the West and the satellite governments.

I regard this train of thought as a false conclusion. For every Western policy of tacit or open recognition of Soviet war booty in Eastern Europe is bound to lead to the discouragement of the peoples there and thus to a lessening of the tension between the subjugators and the subjugated, a tension which is really the driving force of the said evolutionary development. In addition, such a Western toleration of Soviet colonialism is bound to increase Moscow's freedom of ac-

tion. Moreover, every consolidation of Soviet rule in the satellite states—and that is what a stabilization of the present conditions there as a result of such an attitude on the part of the West would amount to—would be regarded by the Kremlin as self-assertion and would thus in the long run only lead to increased aggressiveness.

#### SPEECH BY AL HAYES, PRESIDENT, INTERNATIONAL ASSOCIATION OF MACHINISTS, AT DEDICATION CEREMONY, NEW LABOR TEMPLE, WAUSAU, WIS.

**Mr. PROXMIRE.** Mr. President, on February 29, 1964, Al Hayes, president of the International Association of Machinists, delivered a very fine speech in Wausau, Wis., and I ask unanimous consent that it may be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

#### SPEECH BY AL HAYES, PRESIDENT, INTERNATIONAL ASSOCIATION OF MACHINISTS, AT THE DEDICATION CEREMONY FOR THE NEW LABOR TEMPLE AT WAUSAU, WIS., ON FEBRUARY 29, 1964

I have many warm personal memories of many good people and places in this city. It was my good fortune to serve here during one of the most fruitful periods in the history of the labor movement—the period immediately following the enactment of the Wagner Act—when workers for the first time were free to openly organize and join unions of their own choosing without fear of economic coercion or political intimidation.

I assure you that I value the many friendships I made and have maintained here.

We are meeting here today to dedicate this fine new Labor Temple. As I look at this shining new, well designed, and well constructed center of labor activities in Wausau, I cannot help but think back to the kind of halls and rooms, and even back rooms we once used for our meetings in this city.

As many of you know those halls and meeting places of 25 years ago were nothing like this. But of course, our lives—and our standard of living—and even our hopes and expectations were different then than they are now.

In a sense, this temple is a symbol—a proof in concrete, mortar and brick—of how far we have come.

When we look at this building and all the others like it that union men and women have built from coast to coast, we can feel a warm and well justified sense of pride. Not because we have reached our ultimate goal—because we have not—but pride in the knowledge that we have made some progress toward that goal.

But while we warm ourselves in justifiable pride, let us never forget the sacrifice, the sweat, the turmoil, and tears that form the real foundation on which this temple is built.

In a sense this labor temple is a monument to the past—a salute to all the brave men and gallant women who were initially responsible for whatever progress that the working population of Wausau has made.

But in a larger sense this temple of labor here in Wausau, Wis., is much, much more than merely a monument to the past.

This temple is or should be a pledge to the future. As we dedicate it we not only honor the past that made this labor temple possible, but we must rededicate our movement to the future of this community and our great country, and to the great unfinished tasks that face us today, and those which lie ahead.

Though the early part of the past 30-year period was a time of mass unemployment,